

Central Intelligence Agency



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## DIRECTORATE OF INTELLIGENCE

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China: The National Political Scene

Summary

Recent political developments in China have followed a path well marked by Deng Xiaoping, who, at 79 and after five years as the party's undisputed leader, displays no intention of retiring. Deng's ambitious political agenda for 1984 includes a nationwide party "rectification" and the extension of party and government reorganization to the local level. The recent drive to contain Western influences has exposed tensions within the central leadership, but, within the context of substantial agreement on most national goals, disagreements appear manageable. Although Hu Yaobang and Zhao Ziyang seem secure as Deng's political heirs, they still must remain responsive to powerful conservatives within the central leadership. Deng's support remains essential as Hu and Zhao seek to consolidate their leadership.

Priorities

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Since his ascendancy in 1978, Deng has controlled the political agenda, and his policy preferences form the core of current Chinese political efforts. Deng seeks to remake the polity along lines that will promote--rather than interfere with--economic development. This year, having already completed an initial shakeup in both the central and provincial bureaucracies, Beijing has turned its attention to county-level organization. Village administration too is scheduled for sweeping overhaul as

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## CONFIDENTIAL

China's more than 50,000 communes revert to a more traditional form of village government under a mayor. China will continue its drives against official corruption and street crime.

Deng has also mandated a party rectification that will recruit new members, reindoctrinate old ones, and purge the corrupt or politically unreliable. Inaugurated in October, the drive is scheduled to last three years. Party reform is an important element in the attempt of China's reformers to transfer power from the generation of aged revolutionaries to younger, better educated; professionally more competent officials. Deng's handpicked successors, party General Secretary Hu Yaobang and Premier Zhao Ziyang, have a chance to improve their political bases through the promised personnel turnover of the rectification process.

Resistance

In the Provinces. Although Deng and his allies have placed supporters in key central and provincial positions, their political and economic reforms remain controversial and have been implemented unevenly. In Beijing's analysis, the main locus of resistance is at the middle and lower levels of administration. Through political connections and long, undisturbed tenure in office, many local officials are immune to central discipline; consequently, they often defy Beijing without fear of retribution. Unless local officials are absolutely certain that the national leadership is united behind a measure, they often respond to central initiatives in ways that suit their own personal interests. Obstacles to reform, these lower level officials--and especially those with "leftist" Cultural Revolution backgrounds--are the main targets of the current rectification campaign.

The recent campaign against "spiritual pollution"--the spread of undesirable Western ideas and tastes--again demonstrated the tendency of local officials to go their own way. Many reacted to Beijing's imprecise guidelines by simply criticizing anything not distinctly Chinese: stylish clothing, curly hairdos, classics of Western literature, and--most troublesome from Beijing's perspective--economic policies that rely on material incentives to spur production.

In the Central Leadership. The spiritual pollution campaign also has exposed apparent strains within Deng's ruling coalition. Exactly why Deng called for a national drive to criticize Western influences--at the same October party session that ratified rectification guidelines--remains unclear. The timing of the propaganda push against spiritual pollution and its brief ascendance at the expense of the party rectification drive at least suggests disagreement within the Politburo over the conduct of party reform.

The Politburo contains powerful members of the party old guard, such as Li Xiannian and Peng Zhen, who, while sharing most of Deng's goals, disagree with him on some important issues. In our view, party traditionalists are leery of a full scale rectification for reasons that amount to a fear of the uncertainty and political instability implicit in airing party shortcomings. Traditionalists may seek to deflect party reform to a less divisive course, perhaps one that concentrates solely on inner party disciplinary measures rather than exposure of party malfeasances to public scrutiny.

### Issues

Deng presides over a relatively collegial decisionmaking process. He cannot dictate his will on a given issue and generally has tried to reconcile a range of opinions. Key issues now before the leadership include:

Control. The program of China's reformers revolves around a differentiated approach to economic, political, and social controls that some within the central leadership find objectionable. Control is close to the center of nearly all political questions in China. For example: How far should the party go toward strengthening other institutions when it may, in effect, dilute party control? How much independent discretion can the central leadership permit to organizations below the national level? What are the limits to individual artistic or economic initiative? Beijing is still groping for politically acceptable answers to these and similar questions.

The Economy. China's "open door" to the West and domestic relaxation of economic restraints remain politically contentious. During the recent drive to criticize spiritual pollution, Beijing felt it necessary to defend repeatedly the open door policy against unnamed critics. Similarly, the rise of newly wealthy peasant families--a result of Beijing's successful agricultural policies-- has occasioned a positive media discussion of income inequalities in the countryside and renewed criticism of rural officials who have resisted the new policies. Many other economic questions remain politically controversial, including the relative priority given heavy and light industry in the budget, the role of material incentives, the devolution of economic decisionmaking, and the dismantling of the commune system in the countryside.

Organizational Reform. Party rectification and bureaucratic reorganization are issues that affect the livelihood of millions of officials. So the shakeup of central and provincial administration that began two years ago has produced mixed results, in part because some officials simply refuse to retire or be reassigned. Beleaguered bureaucrats will continue their search for means to blunt the force of threatening personnel

measures. They look to Beijing for both tacit and actual support from some central leaders who themselves have resisted retirement or rectification.

Social Order. The anticrime drive that began last September has resulted in a wave of arrests and executions. There are no precise numbers, but a collation of fragmentary press, diplomatic, and other reporting suggests that from 5,000 to 10,000 criminals have been executed. Beijing claims that crime rates have dropped sharply as a result. Some Chinese, however, are troubled by the state's disdain for recently codified legal procedures that are touted by the reformers as an important corrective to arbitrary public security practices.

Intellectuals. Much of what Deng seeks to accomplish depends upon winning the support and cooperation of China's intellectuals who, in 1978, were officially redesignated members of the working class and therefore acceptable partners in the modernization drive. Educated Chinese remain fearful, however, that the party will again reverse itself, criticize intellectuals for being incorrigibly tainted by "liberal" or anti-socialist attitudes, and return to a policy of persecution--a course of action probably favored by many of the party's still predominantly peasant rank and file.

Ideology. Ideological drift remains troubling to the party. Since the death of Mao, the discrediting of many of his ideas, and the emergence of a results-oriented leadership in Beijing, China has had no true ideological anchor. Party moderates and intellectuals welcomed the relaxation of ideological constraints and a decrease in the state's once incessant efforts to prescribe every manner of values. Other more ideologically orthodox party members, however, decried the downgrading of dogma and the party's forfeiture of its right to dictate standards of behavior. Again, the recent campaign against spiritual pollution brought these simmering differences within the party to the surface. The mix of idealism and political expedience among defenders of a more rigorous orthodoxy makes the issue a useful lever against reform and reformers and ensures further political battles.

Army-Party Relations. Under Deng's leadership, army-party relations have been on an even keel. The Chinese military is well-represented in the top leadership and has generally cooperated in Deng's effort to professionalize the armed forces. The military leadership accepts current economic priorities that place the importance of military modernization well down the line but expects that, as China's economy grows, the army will ultimately receive its share of the budgetary pie. Deng and his allies nevertheless continue to move steadily, if cautiously, to reduce the political influence of the senior soldier-politicians. Beijing has already made good progress toward ensuring that the military will not be the decisive factor in Chinese politics, as it was during the Cultural Revolution.

"Crisis of Confidence". From its own experience and from the past five years in Poland, the Chinese leadership has learned that a party cannot lead without the respect of those it governs. Many of Deng's policies--including reorganization of the party and state, efforts to coopt intellectuals, and economic reform--have the rehabilitation of the party's public image as their collateral goals. Many party leaders recognize that the party has gradually eroded its own legitimacy through wildly vacillating policies and political warfare within the central leadership. In seeking to solve their legitimacy problems, however, the top leaders seem split on whether to impose the party's primacy in a heavy-handed, Leninist manner or to persuade the Chinese with words and deeds that the party is fit to rule.

### Succession

Some observers believe that Hu Yaobang himself was in political difficulty during the spiritual pollution campaign. If so, he has rebounded smartly. After a long silence, his exposition of spiritual pollution proved to be authoritative and, indeed, presaged the campaign's curtailment. According to a generally reliable Hong Kong journal, Hu convened an emergency meeting of the Politburo in November to rein in the campaign after it had gotten out of hand in the provinces.

Although Hu has placed a number of trusted supporters in positions of influence, he remains unpopular among some members of the party old guard, who regard him as too liberal, impolitic, and disrespectful of party tradition--including the place of Mao in the mythology of Chinese Communism. Hu could not, in our judgment, face down the conservatives within the Politburo without the solid backing of Deng. We are uncertain of the numerical strength of Hu's probable opponents, but it is probably insufficient to budge Deng from backing his man.

Should Deng die soon, his place as first among equals within the top leadership would probably gravitate to a generational peer such as Li Xiannian or Peng Zhen, a member of the old guard whose seniority and personal connections in the party approximate Deng's. We believe the leadership would choose to avoid a divisive power struggle, and Hu would likely remain the titular head of the party, presiding rather than ruling, in much the same way as he serves under Deng. In the longer term, Hu is well situated to inherit Deng's political power, because, like their Soviet counterparts, China's gerontocrats will soon begin to fade from the scene, leaving Hu as the leading figure of the successor generation.



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